



Peabody Municipal Light Plant

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PEABODY MUNICIPAL LIGHTING COMMISSION MINUTES OF REGULAR MEETING APRIL 25, 2019

A regular meeting of the Peabody Municipal Lighting Commission was called to order on Thursday, April 25, 2019 at the Peabody Municipal Light Plant, 201 Warren Street Ext., Peabody, Massachusetts at 6:30 p.m.

Present for the meeting were Commissioners William Aylward, Charles Bonfanti, Thomas D'Amato, Thomas Paras and Robert Wheatley; Manager Charles Orphanos, Attorney Philip Durkin and Recording Secretary, Barbara Previte.

Chairman Paras asked if there were any additions to the agenda and Manager Orphanos stated there were none.

- Agenda Item A: Approval of Agenda:

MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND UNANIMOUSLY VOTED (5-0):

MOVE TO APPROVE THE AGENDA.

- Agenda Item B: Announcement:

Chairman Paras acknowledged that this is an open meeting and informed the public that the meeting is being recorded by hand and voice recorder.

- Agenda Item C: Approval of Minutes:

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER AYLWARD AND UNANIMOUSLY VOTED (5-0):

19-22 MOVE TO APPROVE THE REGULAR MEETING MINUTES OF MARCH 28, 2019.

MOTION BY COMMISSIONER AYLWARD, SECONDED BY BONFANTI AND UNANIMOUSLY VOTED (5-0):

19-23 MOVE TO APPROVE AND NOT RELEASE THE EXECUTIVE SESSION MINUTES OF MARCH 28, 2019.



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- Agenda Item D: Appointments:
- **REMARKS OF THE GENERAL PUBLIC:**

Ratepayer, customer Joel Brenner stated that he has heard a lot of talk about cell towers on poles and was wondering what is the concept. Manager Orphanos explained that there is a ruling from the Federal Communication Commission that was brought forward in September 2018 which has to do with the deployment of wireless services, known as 5G. Manager Orphanos stated that PMLP and Verizon are working on an agreement to allow them to attach small cell to existing utility poles and because of the situation that the City and Verizon are dealing with, Manager Orphanos prefers not to comment further.

2018 FINANCIALS / POWERS & SULLIVAN -- Chairman Paras deferred to Manager Orphanos who introduced Michael Nelligan, Partner at Powers & Sullivan, to discuss the Peabody Municipal Light Plant financial audit for 2018. Michael Nelligan introduced himself as well as Laura Stone, lead auditor on the financials for Powers & Sullivan. Mike stated that a plant inventory was conducted in March 2019. He stated the audit went smoothly. Sharon Glavin, Assistant Business Manager Finance, had everything ready to review. The only issue that was uncovered was the City's timeliness on reconciling their bank accounts which impacts PMLP's to monitor our bank accounts. There was a discussion with the City regarding this. Mike said it is a clean opinion.

Mike reviewed the financials page by page. The Management's discussion and analysis; statements of net position; statements of revenues, expense and changes in net position; statements of cash flow; fiduciary funds –statement of net position as well as statement of changes in net position. Mike explained they adjusted the 2017 budget done by Melanson & Health to account for GASB 74 & 75 for comparison purpose. Some questions were asked by the Commissioners.

Commissioner Wheatley applauded Roy Simoes, Supervising Electrical Engineer, and Phil Rohn, Superintendent of Electric Distribution, because it is the smallest and/or least amount of kw hours losses unaccounted for. Congratulations to both Engineering and Distribution. Both Roy and Phil credited their respective divisions and staff.

Commissioner Wheatley asked if the audit included counting the petty cash. Mike Nelligan said he was not aware of anyone counting it but will include that next year.



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MOTION BY COMMISSIONER WHEATLEY, SECONDED BY AYLWARD AND UNANIMOUSLY VOTED BY ROLL CALL (5-0):

19-24 MOVE TO ACCEPT AND APPROVE THE FINANCIALS FOR THE YEAR ENDED DECEMBER 31, 2018 SUBMITTED BY POWERS AND SULLIVAN

- Agenda Item E: Correspondence

Chairman Paras stated that the Commission received correspondence from the Peabody Veterans' Council informing them about the Memorial Day activities on Monday, May 27, 2019.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY AYLWARD AND UNANIMOUSLY VOTED (5-0):

19-25 MOVE TO ACCEPT THE CORRESPONDENCE FROM THE PEABODY VETERANS' COUNCIL INVITING THE LIGHT COMMISSIONERS TO PARTICIPATE IN THE MEMORIAL DAY ACTIVITIES ON MAY 27, 2019.

- Agenda Item F: Manager's Reports:

STATUS REPORTS:

- **IPSWICH RIVER SUBSTATION** – Manager Orphanos deferred to Roy Simoes, Supervising Electrical Engineer, to update the Commission. Roy stated we have had two days of outages without any hiccups. As of today, both 115 lines coming in are live. Both transformers are live; both buses are live in the station. For now, only one transformer is sending load into Johnson Street until the new line can be installed to Johnson. The testing by UPG is approximately 95 to 98% complete. Swap mats (about 50 truckloads) have been removed. All the foundation is 100%. Ten steel poles are laying down in position, awaiting insulators before they can be erected. Engineering is dismantling the old or former substation and is almost done. The soil testing has been done and PMLP received a verbal that no hydro carbon or oil was found in the soil.

Roy then switched and talked about Water River. The ten control panels from Keystone arrived last Friday. The new relay work will start and will take discretionary outages.



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- Agenda Item G: Committee Reports:

- Chairman Paras deferred to Commissioner Wheatley who stated that the Commissioners should have received a proposed revision to the "Procedural Rules and Regulations of the PMLC" to add 4.4 Manager's Retirement. The new language was reviewed and accepted.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY AYLWARD AND VOTED UNANIMOUSLY BY ROLL CALL (5-0):

19-26 MOVE TO ACCEPT AND APPROVE THE CHANGE IN THE PMLC PROCEDURAL RULES, REGULATIONS TO ADD 4.4. MANAGER'S RETIREMENT WHEREBY THE FINAL PAYROLL BREAKDOWN OF THE RETIRING MANAGER NEEDS TO BE SIGNED JOINTLY BY THE CHAIRMAN OF THE PMLC AND THE INCOMING MANAGER.

Commissioner Wheatley then discussed that he and John Maihos, Community Relations and Human Resources, will be working on the Leave Policy. The Committee intends to present the Anti-Fraud Policy at the May meeting.

- Agenda Item H: Award of Bids:

There being none, the meeting continued.

- Agenda Item I: General Business:

- **Annual OPEB (other Post- Employment Benefits) Trust Fund Contribution** – Manager Orphanos deferred to Karen Repucci, Business Manager to discuss the annual OPEB contribution. Karen first wanted to take a moment to recognize Sharon Glavin for a great job on the audit. Karen gave background of the OPEB funds which refers to benefits received by an employee when he or she begins retirement, including health care and life insurance premiums. PMLP covers our current obligation to provide retiree healthcare on a pay-as-you-go model funded from our annual operating budget. The PMLC voted, accepted and approved the PMLP OPEB Liability Trust Fund in November 2014. This Fund was established to provide future payments of health care and other post-employment benefits to retired employees. Karen stated that as of December 31, 2019 the OPEB Fund is 50% funded. PMLP is recommending a contribution of \$300,000 which is consistent with the 2018 contribution. She proposes the money should be taken from the Reserve Fund held at MMWEC because we are presently in a low cash position.



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MOTION BY COMMISSIONER AYLWARD, SECONDED BY D'AMATO AND VOTED UNANIMOUSLY BY ROLL CALL (5-0):

19-27 MOVE TO ACCEPT THE RECOMMENDATION OF STAFF FOR THE MANAGER TO TRANSFER \$300,000 FROM THE RESERVE TRUST FUND INTO THE PMLP OPEB LIABILITY TRUST FUND.

- **ROUTE ONE WATER INFRASTRUCTURE PROJECT** Manager Orphanos informed the Commission that the City of Peabody will be replacing the underground water pipes on Route One (both North and South) from Dearborn Road to Forest Street. Manager Orphanos explained that PMLP's involvement would be to hold our utility poles to avoid undermining the poles during the adjacent excavation. Manager Orphanos explained that in the past PMLP has donated labor costs to the City to help ease their burden with the project costs. Manager Orphanos asked Phil Rohn, Superintendent of Electric Distribution, to estimate the cost of this project. The estimate of our portion of this project would be between \$40,000 to \$60,000. The work has to take place during the evening so it will be overtime hours and is expected to last 6 to 8 weeks to complete. The Commission asked if the City included this in their budget and Manager Orphanos stated no. The Commission stated maybe to supplement 50% or more of the project. Manager Orphanos is seeking a motion from the Commission.

MOTION BY COMMISSIONER WHEATLEY, SECONDED BY COMMISSIONER D'AMATO WITH COMMISSIONERS WHEATLEY, BONFANTI, D'AMATO AND PARAS VOTING AFFIRMATIVELY AND COMMISSIONER AYLWARD VOTING PRESENT BY ROLL CALL (4-0):

19-28 TO AUTHORIZE THE MANAGER TO ALLOW UP TO \$50,000 IN LABOR SERVICES FOR THE ROUTE ONE WATER INFRASTRUCTURE PROJECT.

- **REMARKS OF COMMISSION** – Chairman Paras thanked Commissioner Wheatley for spending the day and evening with the student government students.
- Commissioner Wheatley said the student government students were very enthusiastic about their tour of PMLP.
- Commissioner Bonfanti thanked everyone in the light plant.
- Chairman Paras thanked Bob for filling in for him during student government as well as the employees at the



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- Commissioner Aylward thanked Karen and Sharon for the good job on the financials, Engineering on the Ipswich River Project as well as Phil Rohn in Distribution for everything their respective divisions do for the light plant.
- Commissioner D'Amato thanked everyone. A special shout-out to Bob for always participating in student government activities.


MOTION BY COMMISSIONER AYLWARD, SECONDED BY COMMISSIONER BONFANTI AND UNANIMOUSLY VOTED (5-0):

MOVE TO ENTER INTO EXECUTIVE SESSION IN ACCORDANCE WITH CHAPTER 30A, SECTION 21(a) TO DISCUSS COMPETITIVELY SENSITIVE INFORMATION AND NOT TO RETURN.

Chairman Paras declared the Regular portion of the Meeting of April 25, 2019 adjourned at 7:30 p.m.

A TRUE RECORD

Attest: _____


Thomas M. D'Amato, Secretary
Peabody Municipal Lighting Commission